

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

March 9, 2011

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B9200118
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR B. I. Incorporated 6400 Lookout Road, Suite 101 Boulder, CO 80301 Email: matt.swando@bi.com	TELEPHONE Scott McCool (303) 218-1056
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-1455 Laura Gyorkos
Contract Compliance Inspector: Electronic Monitoring (Tether) System – Department of Corrections	
CONTRACT PERIOD: From: December 1, 2008 To: November 30, 2012	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately, the vendor contact has changed to:

Scott McCool
Ph: (303) 218-1056

AUTHORITY/REASON(S):

Per vendor request (email dated March 2, 2011 from Matt Swando).

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$3,512,000.00

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

March 2, 2011

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B9200118
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR B. I. Incorporated 6400 Lookout Road, Suite 101 Boulder, CO 80301 Email: matt.swando@bi.com	TELEPHONE Matthew Swando (303) 328-7344
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-1455 Laura Gyorkos
Contract Compliance Inspector: Electronic Monitoring (Tether) System – Department of Corrections	
CONTRACT PERIOD: From: December 1, 2008 To: November 30, 2012	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately, this contract is hereby **EXTENDED** to November 30, 2012 and **INCREASED** by \$800,000.00. The buyer is hereby **CHANGED** to Laura Gyorkos. Also, effective December 1, 2011, prices will be reduced per the attached vendor letter.

AUTHORITY/REASON(S):

Per vendor, agency and Purchasing Operations agreement and the approval of the State Administrative Board on March 1, 2011.

INCREASE: \$800,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$3,512,000.00



December 6, 2010

Laura L. Gyorkos
Buyer Specialist
Department of Technology, Management and Budget
Procurement & Real Estate Services Administration
Purchasing Operations, IT Division
111 South Capitol Avenue
Lansing, Michigan 48933

Ms. Gyorkos,

Please accept this letter as our response to your Department's request for cost reduction.

BI Inc. has been an electronic monitoring (tether) provider to the Michigan Department of Corrections for over 20 years. We are grateful for our long-standing relationship with the state and are willing to assist the state in these difficult economic times. Please find below a summary of the items we have discussed in terms of our contract reduction and agreed upon changes to the agreement going forward. The below two (2) items are the items we have verbally discussed and BI would like to see addressed via a contract amendment.

1. Contract reductions:

Product Type	Current Number of Units	Future Number of Units	Current Annual Price	Future Annual Price	Current Daily Price	Future Daily Price
HG200 Maint	3,128	2,500	\$ 74.26	\$ 72.77		
Sobrieter	660	500	\$ 144.45	\$ 141.56		
Guardserver Maint	1	1	\$ 45,347.46	\$ 44,440.51		
HomeCell Rental	103	103			\$ 3.90	\$ 3.82
HG206 Rental	15	15			\$ 5.65	\$ 5.54

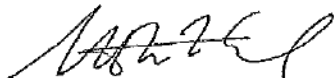
2. Execution of one of the two remaining 'optional' contract years

The state will agree to immediately (upon execution of the contract amendment) exercise one of the two optional years remaining on the contract for a new contract end date of November 17, 2012. This action will not preclude the state from executing the second optional renewal for a final end date of November 17, 2013.

Please feel free to contact me directly if you have any questions. Please note that BI Inc. does not consider any of the enclosed proposals to be binding until and unless a contract amendment is agreed upon and executed by both parties.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Scott McCool', written in a cursive style.

Scott McCool
Western Regional Sales Manager
BI Incorporated
303.218.1056 office
303.218.1461 fax
727.207.5559 mobile

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

December 23, 2008

NOTICE
OF
CONTRACT NO. 071B9200118
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR B. I. Incorporated 6400 Lookout Road, Suite 101 Boulder, CO 80301 Email: matt.swando@bi.com	TELEPHONE Matthew Swando (303) 328-7344
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-7233 Joann Klasko
Contract Compliance Inspector: Electronic Monitoring (Tether) System – Department of Corrections	
CONTRACT PERIOD: From: December 1, 2008 To: November 30, 2011	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

Estimated Contract Value: **\$2,712,000.00**

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CONTRACT NO. 071B9200118
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR B. I. Incorporated 6400 Lookout Road, Suite 101 Boulder, CO 80301		TELEPHONE Matthew Swando (303) 328-7344
		CONTRACTOR NUMBER/MAIL CODE
Email: matt.swando@bi.com		BUYER/CA (517) 241-7233 Joann Klasko
Contract Compliance Inspector: Electronic Monitoring (Tether) System – Department of Corrections		
CONTRACT PERIOD: From: December 1, 2008 To: November 30, 2011		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of ITB #071I8200371, this Contract Agreement and the vendor's quote dated September 24, 2008. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.		
Estimated Contract Value: \$2,712,000.00		

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 071I8200371. Orders for delivery will be issued directly by the Department of Information Technology through the issuance of a Purchase Order Form.

All terms and conditions of the invitation to bid are made a part hereof.

FOR THE CONTRACTOR:

B.I. Incorporated
Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature
Greg Faremouth, Director

Name/Title
IT Division

Division

Date



**PURCHASING OPERATIONS
STATE OF MICHIGAN
ELECTRONIC MONITORING (TETHER) SYSTEM
TABLE OF CONTENTS**

SECTION I – CONTRACTUAL SERVICES TERMS AND CONDITIONS

I-A	PURPOSE	1
I-B	TERM OF CONTRACT	1
I-C	ISSUING OFFICE	1
I-D	CONTRACT ADMINISTRATOR	1
I-E	COST LIABILITY	2
I-F	CONTRACTOR RESPONSIBILITIES	2
I-G	NEWS RELEASES	2
I-H	DISCLOSURE	2
I-I	ACCOUNTING RECORDS	2
I-J	INDEMNIFICATION	3
I-K	NON INFRINGEMENT/COMPLIANCE WITH LAWS	4
I-L	WARRANTIES AND REPRESENTATIONS	4
I-M	TIME IS OF THE ESSENCE	6
I-N	CONFIDENTIALITY OF DATA AND INFORMATION	4
I-O	REMEDIES FOR BREACH OF CONFIDENTIALITY	5
I-P	CONTRACTOR'S LIABILITY INSURANCE	5
I-Q	NOTICE AND RIGHT TO CURE	6
I-R	CANCELLATION	6
I-S	RIGHTS AND OBLIGATIONS UPON CANCELLATION	8
I-T	EXCUSABLE FAILURE	9
I-U	ASSIGNMENT	9
I-V	DELEGATION	9
I-W	NON-DISCRIMINATION CLAUSE	9
I-X	MODIFICATION OF SERVICE	10
I-Y	NOTICES	11
I-Z	NO WAIVER OF DEFAULT	11
I-AA	SEVERABILITY	11
I-BB	HEADINGS	11
I-CC	RELATIONSHIP OF THE PARTIES	11
I-DD	UNFAIR LABOR PRACTICES	12
I-EE	SURVIVOR	12
I-FF	GOVERNING LAW	12
I-GG	YEAR 2000 SOFTWARE COMPLIANCE	12
I-HH	CONTRACT DISTRIBUTION	12
I-II	STATEWIDE CONTRACTS	17
I-JJ	ADHERANCE TO PM METHODOLOGY STANDARD	17
I-KK	TRANSITION ASSISTANCE	17

SECTION II - WORK STATEMENT

II-A	BACKGROUND/PROBLEM STATEMENT	13
II-B	OBJECTIVES	13
II-C	WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT	19
II-D	TASKS	20
II-E	PROJECT CONTROL AND REPORTS	21
II-F	PRICE PROPOSAL	23
II-G	CONTRACT PAYMENT	23

APPENDIX

A **COST MODEL (PRICE PROPOSAL 35**
B **TECHNICAL PROPOSAL (EXCERPTS) 39**



DEFINITION OF TERMS

TERMS	DEFINITIONS
Contract	A binding agreement entered into by the State of Michigan resulting from a bidder's proposal; see also "Blanket Purchase Order."
Contractor	B. I. Incorporated.
DMB	Michigan Department of Management and Budget
RFP	Request For Proposal - A term used by the State to solicit proposals for services such as consulting. Typically used when the requesting agency requires vendor assistance in identifying an acceptable manner of solving a problem.
ITB	Invitation to Bid - A generic form used by Purchasing Operations to solicit quotations for services or commodities. The ITB serves as the document for transmitting the RFP to interested potential bidders.
State	<p>The State of Michigan</p> <p>For Purposes of Indemnification as set forth in section I-J, State means the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents.</p>
Expiration	
Cancellation	Ending all rights and obligations of the State and Contractor, except for any rights and obligations that are due and owing.
Work Product	Work Product means any data compilations, reports, and any other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of and in furtherance of performing the services required by this Contract.
Electronic Monitoring	Electronic monitoring by tether device of probationers, prisoners, and parolees. Monitoring is not contracted to a third party, but performed in-house. System provided must include monitoring computers and all tether unit devices.



SECTION I CONTRACTUAL SERVICES TERMS AND CONDITIONS

I-A **PURPOSE**

The purpose of this Contract is to contract for the maintenance of Radio Frequency (RF) and Radio Alcohol (RA) units that the Department of Corrections already owns, purchase of consumable parts and supplies that are needed to operate the units, and the on-going lease of digital cell tether units.

I-B **TERM OF CONTRACT**

The State of Michigan is not liable for any cost incurred by the Contractor prior to signing of this Contract by all parties. The activities in this Contract cover a three-year period with the option of two one-year extensions. The State fiscal year is October 1st through September 30th. The Contractor should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations. The Contract period is December 1, 2008 thru November 17, 2011.

I-C **ISSUING OFFICE**

This Contract is issued by the State of Michigan, Department of Management and Budget (DMB), Purchasing Operations, hereafter known as Purchasing Operations, for the State of Michigan, Department of Corrections. Where actions are a combination of those of Purchasing Operations and Department of Corrections, the authority will be known as the State.

Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the services described herein. Purchasing Operations is the only office authorized to change, modify, amend, alter, clarify, etc., the prices, specifications, terms, and conditions of this Contract. PURCHASING OPERATIONS will remain the SOLE POINT OF CONTACT throughout the procurement process, until such time as the Director of Purchasing Operations shall direct otherwise in writing. See Paragraph II-C below. All communications concerning this Contract must be addressed to:

Joann Klasko
IT Division
DMB, Purchasing Operations
2nd Floor, Mason Building
P.O. Box 30026
Lansing, MI 48909
klaskoj@michigan.gov 517-241-7233

I-D **CONTRACT ADMINISTRATOR**

Upon receipt at Purchasing Operations of the properly executed Contract Agreement, it is anticipated that the Director of Purchasing Operations will direct that the person named below or any other person so designated be authorized to administer the Contract on a day-to-day basis during the term of the Contract. However, administration of this Contract implies no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions, and specifications of such Contract. That authority is retained by Purchasing Operations. The Contract Administrator for this project is:

Kami Pasch
Michigan Department of Corrections
Field Operations Administration
Grandview Plaza Building, 206 E Michigan Ave
Lansing, MI 48909
paschkk@michigan.gov 517-241-7229

**I-E COST LIABILITY**

The State of Michigan assumes no responsibility or liability for costs incurred by the Contractor prior to the signing of this Contract. Total liability of the State is limited to the terms and conditions of this Contract.

I-F CONTRACTOR RESPONSIBILITIES

The Contractor will be required to assume responsibility for all contractual activities offered in this proposal whether or not that Contractor performs them. Further, the State will consider the Prime Contractor to be the sole point of contact with regard to contractual matters, including but not limited to payment of any and all costs resulting from the Contract. If any part of the work is to be subcontracted, the contractor must notify the state and identify the subcontractor(s), including firm name and address, contact person, complete description of work to be subcontracted, and descriptive information concerning subcontractor's organizational abilities. The State reserves the right to approve subcontractors for this project and to require the Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract.

I-G NEWS RELEASES

News releases pertaining to this document or the services, study, data, or project to which it relates will not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the program are to be released without prior approval of the State and then only to persons designated.

I-H DISCLOSURE

All information in the Contractor's proposal and this Contract is subject to the provisions of the Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, *et seq.*

I-I ACCOUNTING RECORDS

The Contractor will be required to maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Michigan. Financial and accounting records shall be made available, upon request, to the State of Michigan, its designees, or the Michigan Auditor General at any time during the Contract period and any extension thereof, and for three (3) years from the expiration date and final payment on the Contract or extension thereof.

I-J INDEMNIFICATION**A. General Indemnification**

Upon receipt of written notice, as required herein, the CONTRACTOR shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

1. Any claim, demand, action, citation or legal proceeding against the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents for any negligence or wrongful acts arising out of or resulting from (1) the services and products provided or (2) performance of the work, duties, responsibilities, actions or omissions of the CONTRACTOR or any of its subcontractors under this CONTRACT;
2. Any claim, demand, action, citation or legal proceeding against the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents arising out of or resulting from a material breach by the CONTRACTOR of any representation or warranty made by the CONTRACTOR in the CONTRACT;



3. Any claim, demand, action, citation or legal proceeding against the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents arising out of or related to occurrences that the CONTRACTOR is required to insure against as provided for in this CONTRACT;
4. Any claim, demand, action, citation or legal proceeding against the State, its departments divisions, agencies, sections, commissions, officers, employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the CONTRACTOR, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused by the negligence or reckless or intentional wrongful conduct of the State;
5. Any claim, demand, action, citation or legal proceeding against the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents which results from an act or omission of the CONTRACTOR or any of its subcontractors in its or their capacity as an employer of a person.

B. Patent/Copyright Infringement Indemnification

The CONTRACTOR shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents from and against all losses, liabilities, penalties, fines, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State by a third party to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the CONTRACTOR or its subcontractors, or the operation of such equipment, software, commodity or service, infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in the Contractor's opinion be likely to become the subject of a claim of infringement, the CONTRACTOR shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the CONTRACTOR, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to CONTRACTOR, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

C. Indemnification Obligation Not Limited

In any and all claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the CONTRACTOR or any of its subcontractors, the indemnification obligation under the CONTRACT shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the CONTRACTOR or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in subclauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other subclauses.

D. Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and effect notwithstanding the expiration or early termination of the contract with respect to any claims based on facts or conditions which occurred prior to termination.

**I-K NON INFRINGEMENT/COMPLIANCE WITH LAWS**

The Contractor warrants that in performing the services called for by this Contract it will not violate any applicable law, rule, or regulation, any contracts with third parties, or any intellectual rights of any third party, including but not limited to, any United States patent, trademark, copyright, or trade secret.

I-L WARRANTIES AND REPRESENTATIONS

The Contract will contain customary representations and warranties by the Contractor, including, without limitation, the following:

1. The Contractor will perform all services in accordance with high professional standards in the industry;
2. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services;
3. The Contractor will use its best efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the State;
4. The Contractor will use its best efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;
5. The Contractor will perform the services in a manner that does not infringe the proprietary rights of any third party;
6. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;
7. The Contractor has duly authorized the execution, delivery and performance of the Contract;
8. The Contractor has not provided any gifts, payments or other inducements to any officer, employee or agent of the State;
9. The Contractor will maintain all equipment and software for which it has maintenance responsibilities in good operating condition and will undertake all repairs and preventive maintenance in accordance with applicable manufacturer's recommendations; the equipments to be sent back for use, during repairs, must be fully functional. This can be refurbished equipment as long as it is the model agreed upon in the Contract.
10. The Contractor will use its best efforts to ensure that no viruses or similar items are coded or introduced into the systems used to provide the services;
11. The Contractor will not insert or activate any disabling code into the systems used to provide the services without the State's prior written approval;
12. A ninety (90) day warranty on all purchased and developed software, data conversion programs, and data and customization to the product performed by the contractor.

I-M TIME IS OF THE ESSENCE

The Contractor agrees that time is of the essence in the performance of the Contractor's obligations under this Contract.

I-N CONFIDENTIALITY OF DATA AND INFORMATION

1. All financial, statistical, personnel, technical and other data and information relating to the State's operation which are designated confidential by the State and made available to the Contractor in order to carry out this Contract, or which become available to the Contractor in carrying out this



Contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State's procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor's data and information are deemed by the State to be adequate for the protection of the State's confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this section.

2. The Contractor shall not be required under the provisions of this section to keep confidential, (1) information generally available to the public, (2) information released by the State generally, or to the Contractor without restriction, (3) information independently developed or acquired by the Contractor or its personnel without reliance in any way on otherwise protected information of the State. Notwithstanding the foregoing restrictions, the Contractor and its personnel may use and disclose any information which it is otherwise required by law to disclose, but in each case only after the State has been so notified, and has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure.

I-O REMEDIES FOR BREACH OF CONFIDENTIALITY

The Contractor acknowledges that a breach of its confidentiality obligations as set forth in section I-N of this Contract shall be considered a material breach of the Contract. Furthermore the Contractor acknowledges that in the event of such a breach the State shall be irreparably harmed. Accordingly, if a court should find that the Contractor has breached or attempted to breach any such obligations, the Contractor will not oppose the entry of an appropriate order restraining it from any further breaches or attempted or threatened breaches. This remedy shall be in addition to and not in limitation of any other remedy or damages provided by law.

I-P CONTRACTOR'S LIABILITY INSURANCE

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract.

All insurance coverage provided relative to this Contract/Purchase Order is PRIMARY to any comparable liability insurance (including self-insurances) carried by the State.

The Insurance shall be written for not less than any minimum coverage herein specified or required by law, whichever is greater. All deductible amounts for any of the required policies are subject to approval by the State.

The State reserves the right to reject insurance written by an insurer the State deems unacceptable.

BEFORE THE CONTRACT IS SIGNED BY BOTH PARTIES OR BEFORE THE PURCHASE ORDER IS ISSUED BY THE STATE, THE CONTRACTOR MUST FURNISH TO THE DIRECTOR OF PURCHASING OPERATIONS, CERTIFICATE(S) OF INSURANCE VERIFYING INSURANCE COVERAGE. THE CERTIFICATE MUST BE ON THE STANDARD "ACCORD" FORM. THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING. All such Certificate(s) are to be prepared and submitted by the Insurance Provider and not by the Contractor. All such Certificate(s) shall contain a provision indicating that coverages afforded under the



policies WILL NOT BE CANCELLED OR MATERIALLY CHANGED without THIRTY (30) days prior written notice having been given to the Director of Purchasing Operations. Such NOTICE must include the CONTRACT NUMBER affected.

The Contractor is required to provide the type and amount of insurance checked (☑) below:

- ☑ 1. Commercial General Liability with the following minimum coverages:

\$2,000,000 General Aggregate Limit other than Products/Completed Operations
 \$2,000,000 Products/Completed Operations Aggregate Limit
 \$1,000,000 Personal & Advertising Injury Limit
 \$1,000,000 Each Occurrence Limit
 \$500,000 Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability policy.

- ☑ 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability policy.

- ☑ 3. Worker's disability compensation, disability benefit or other similar employee benefit act with minimum statutory limits. NOTE: (1) If coverage is provided by a State fund or if Contractor has qualified as a self-insurer, separate certification must be furnished that coverage is in the state fund or that Contractor has approval to be a self-insurer; (2) Any citing of a policy of insurance must include a listing of the States where that policy's coverage is applicable; and (3) Any policy of insurance must contain a provision or endorsement providing that the insurers' rights of subrogation are waived. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

- ☑ 4. Employers liability insurance with the following minimum limits:

\$100,000 each accident

\$100,000 each employee by disease

\$500,000 aggregate disease

- ☑ 5. Professional Liability Insurance (errors and omissions) with the following minimum coverage:

☑ \$300,000 each occurrence and \$1,000,000 annual aggregate

☐ \$3,000,000 each occurrence and \$5,000,000 annual aggregate

☐ \$5,000,000 each occurrence and \$10,000,000 annual aggregate

I-Q NOTICE AND RIGHT TO CURE



In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a time period to cure said breach described in the notice. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage or destruction of any real or tangible personal property.

I-R CANCELLATION

The State may cancel this Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents and employees for any of the following reasons:

1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under the Contract, which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State, or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for all costs incurred by the State in canceling the Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess procurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in the Contract.

In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those services that are cancelled.

In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the Contractor was not in breach of contract pursuant to the provisions of this section, that cancellation for cause shall be deemed to have been a cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in the Contract for a cancellation for convenience.

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.
3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-



appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.

4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.
5. Approval(s) Rescinded. In the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Article 11, Section 5 of the Michigan Constitution of 1963, and Chapter 7 of the Civil Service Rules. Notwithstanding any other provision of this Contract to the contrary, the State Personnel Director is authorized to disapprove contractual disbursements for personal services if the Director determines that the Contract of the disbursements under the Contract violate Article 11, Section 5 of the Constitution or violate applicable Civil Service rules or regulations. Cancellation may be in whole or in part and may be immediate as of the date of the written notice to the Contractor or may be effective as of the date stated in such written notice.

I-S RIGHTS AND OBLIGATIONS UPON CANCELLATION

1. If the Contract is canceled by the State for any reason, the Contractor shall, (a) stop all work as specified in the notice of cancellation, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Work Product or other property derived or resulting from the Contract that may be in the Contractor's possession, (c) return all materials and property provided directly or indirectly to the Contractor by any entity, agent or employee of the State, (d) transfer title and deliver to the State, unless otherwise directed by the Contract Administrator or his or her designee, all Work Product resulting from the Contract, and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or cancellation settlement costs, to the maximum practical extent, including, but not limited to, canceling or limiting as otherwise applicable, those subcontracts, and outstanding orders for material and supplies resulting from the canceled Contract.
2. In the event the State cancels this Contract prior to its expiration for its own convenience, the State shall pay the Contractor for all charges due for services provided prior to the date of cancellation and if applicable as a separate item of payment pursuant to the Contract, for partially completed Work Product, on a percentage of completion basis. In the event of a cancellation for cause, or any other reason under the Contract, the State will pay, if applicable, as a separate item of payment pursuant to the Contract, for all partially completed Work Products, to the extent that the State requires the Contractor to submit to the State any such deliverables, and for all charges due under the Contract for any cancelled services provided by the Contractor prior to the cancellation date. All completed or partially completed Work Product prepared by the Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and the Contractor shall be entitled to receive just and fair compensation for such Work Product. Regardless of the basis for the cancellation, the State shall not be obligated to pay, or otherwise compensate, the Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
3. If any such cancellation by the State is for cause, the State shall have the right to set-off against any amounts due the Contractor, the amount of any damages for which the Contractor is liable to the State under this Contract or pursuant to law and equity.
4. Upon a good faith cancellation, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and materials provided under this Contract, and may



further pursue completion of the Work Product under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

I-T EXCUSABLE FAILURE

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contract (either itself or through another contractor); injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing party and its subcontractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.
2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected services from an alternate source, and the State shall not be liable for payments for the unperformed services under the Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of the Contract so affected and the charges payable thereunder shall be equitably adjusted to reflect those services canceled; or (c) the Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. The Contractor will not have the right to any additional payments from the State as a result of any excusable failure occurrence or to payments for services not rendered as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under the Contract except to the extent that a subcontractor is itself subject to any excusable failure condition described above and the Contractor cannot reasonably circumvent the effect of the subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

I-U ASSIGNMENT

The Contractor shall not have the right to assign this Contract or to assign or delegate any of its duties or obligations under this Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this section shall be null and void. Further, the Contractor may not assign the right to receive money due under the Contract without the prior written consent of the Purchasing Operations Director.

I-V DELEGATION

The Contractor shall not delegate any duties or obligations under this Contract to a subcontractor other than a subcontractor named in the bid unless the Purchasing Operations Director has given written consent to the delegation.

I-W NON-DISCRIMINATION CLAUSE

In the performance of this Contract or purchase order resulting herefrom, the contractor agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status,



physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position. The contractor further agrees that every subcontract entered into for the performance of this Contract or purchase order resulting herefrom will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2101, *et seq.* and the Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, *et seq.* and any breach thereof may be regarded as a material breach of the Contract or purchase order.

I-X MODIFICATION OF SERVICE

The Director of Purchasing Operations reserves the right to modify this service during the course of this Contract. Such modification may include adding or deleting tasks that this service shall encompass and/or any other modifications deemed necessary.

This Contract may not be revised, modified, amended, extended, or augmented, except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

The State reserves the right to request from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. The Contractor shall provide a change order process and all requisite forms. The State reserves the right to negotiate the process during contract negotiation. At a minimum, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

1. Within five (5) business days of receipt of a request by the State for any such change, or such other period of time as to which the parties may agree mutually in writing, the Contractor shall submit to the State a proposal describing any changes in products, services, timing of delivery, assignment of personnel, and the like, and any associated price adjustment. The price adjustment shall be based on a good faith determination and calculation by the Contractor of the additional cost to the Contractor in implementing the change request less any savings realized by the Contractor as a result of implementing the change request. The Contractor's proposal shall describe in reasonable detail the basis for the Contractor's proposed price adjustment, including the estimated number of hours by task by labor category required to implement the change request.
2. If the State accepts the Contractor's proposal, it will issue a change notice and the Contractor will implement the change request described therein. The Contractor will not implement any change request until a change notice has been issued validly. The Contractor shall not be entitled to any compensation for implementing any change request or change notice except as provided explicitly in an approved change notice.
3. If the State does not accept the Contractor's proposal, the State may:
 - a) Withdraw its change request; or
 - b) Modify its change request, in which case the procedures set forth above will apply to the modified change request.

If the State requests or directs the Contractor to perform any activities that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor must notify the State promptly, and before commencing performance of the requested activities, that it believes the requested activities are New Work. If the Contractor fails to so notify the State prior to commencing performance of the requested activities, any such activities performed before notice is given by the Contractor shall be conclusively considered to be In-scope Services, not New Work.

If the State requests or directs the Contractor to perform any services or functions that are consistent with and similar to the services being provided by the Contractor under the Contract, but which the



Contractor reasonably and in good faith believes are not included within the scope of the Contractor's responsibilities and charges as set forth in the Contract, then prior to performing such services or function, the Contractor shall promptly notify the State in writing that it considers the services or function to be an "Additional Service" for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing such services or functions. If the Contractor does so notify the State, then such a service or function shall be governed by the change request procedure set forth in the preceding paragraph.

IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATIONS.

I-Y NOTICES

Any notice given to a party under this Contract must be written and shall be deemed effective, if addressed to such party as addressed below upon (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

For the Contractor: Matthew Swando
B. I. Incorporated
6400 Lookout Rd., Ste. 101
Boulder, CO 80301
Phone: (303) 218-1000

For the State: Joann Klasko, IT Buyer
IT Division
DMB, Purchasing Operations
2nd Floor, Mason Building
P.O. Box 30026
Lansing, MI 48909
klaskoj@michigan.gov 517-241-7233

Either party may change its address where notices are to be sent giving written notice in accordance with this section.

I-Z NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to any term of this Contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term, or any other term, of the Contract.

I-AA SEVERABILITY

Each provision of the Contract shall be deemed to be severable from all other provisions of the Contract and, if one or more of the provisions of the Contract shall be declared invalid, the remaining provisions of the Contract shall remain in full force and effect.

I-BB HEADINGS

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.

I-CC RELATIONSHIP OF THE PARTIES

The relationship between the State and the Contractor is that of client and independent Contractor. No agent, employee, or servant of the Contractor or any of its subcontractors shall be or shall be deemed



to be an employee, agent, or servant of the State for any reason. The Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and subcontractors during the performance of this Contract.

I-DD UNFAIR LABOR PRACTICES

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, et seq. the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board.

A Contractor of the State, in relation to the Contract, shall not enter into a Contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 Public Act 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of the Contractor as an employer, or the name of the subcontractor, manufacturer or supplier of the Contractor appears in the register.

I-EE SURVIVOR

Any provisions of the Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of this Contract for any reason.

I-FF GOVERNING LAW

This Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

**I-GG YEAR 2000 SOFTWARE COMPLIANCE
RESERVED**

I-HH CONTRACT DISTRIBUTION

Purchasing Operations shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

**I-II STATEWIDE CONTRACTS
RESERVED**

**I-JJ ADHERANCE TO PM METHODOLOGY STANDARD
RESERVED**

I-KK TRANSITION ASSISTANCE

If this Contract is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Contractor must provide for up to six months after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the Contract for Contract performance. If the State cancels this Contract for cause, then the State will be entitled to off set the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said cancellation.



SECTION II

WORK STATEMENT

II-A **BACKGROUND/PROBLEM STATEMENT**

The MDOC implemented the current electronic monitoring program in 1986 and it is now a statewide program encompassing all 83 counties. Currently there are approximately 1,830 individuals being monitored under the electronic monitoring program. Approximate populations are; 850 probationers, 30 prisoners and 700 parolees. In addition the Department provides monitoring services for another 250 offenders who are supervised by Probate and District Courts, County Sheriffs, the Family Independence Agency, local Community Corrections offices and Tribal Councils. The state is divided into two operational Regions and Parole and Probation Officers within these Regions are assigned responsibility to supervise electronically monitored offenders. Some officers supervise other offenders in addition to monitored offenders and some have an exclusive EM caseload, which number about thirty offenders each.

II-B **OBJECTIVES**

1.1 General:

The purpose of this Contract is to establish a new contract that will allow the Michigan Department of Corrections (MDOC) to maintain the current operating system, obtain maintenance for the RF & RA units that are currently owned, on-going maintenance for the servers that are necessary to maintain the system, purchase consumable parts and supplies, and lease digital cell units. The present inventory consists of approximately 3,400 BI Home Guard HG204, 800 Sobrietors and 150 digital cell units.

1.2 Specific:

The scope of this project is to maintain a system that will provide the MDOC with the ability to monitor compliance with a curfew designed to restrict selected offenders' activities.

II-C **WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT**

In performing services for the State pursuant to this Contract, the Contractor shall comply with Department of Civil Service Rules 2-20 regarding Workplace Safety and 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service Regulations governing workplace safety and discriminatory harassment and any applicable state agency rules on these matters that the agency provides to the Contractor. Department of Civil Service Rules and Regulations can be found on the Department of Civil Service website at www.state.mi.us/mdcs/Regindx.

II-D **TASKS**

2.1 RESERVED.

2.2 RESERVED.

2.3 RESERVED

2.4 Procurement Alternatives

See Technical Proposal.

2.4.1 Alternative 1 - Lease

See Technical Proposal.

2.4.2 Alternative 2 - Purchase

See Technical Proposal.



DESCRIPTION OF VENDOR RESPONSIBILITIES

The Contractor must conform to established state policy and requirements regarding the disclosure of confidential or privileged information in any and all matters involving information of an offender. All records of system operations will remain the sole property of the MDOC. The Contractor shall be required to provide total system support for the proposed server system at 1305 S. Washington, Lansing, Michigan. The field transmitter/receiver units and all parts and supplies will also be delivered to that same location.

3.1 Training Requirements-System/Administration

RESERVED

3.2 Training Requirements-Field Monitoring

RESERVED

3.3 RESERVED

3.4 RESERVED

3.5 During the course of the Contract, the Contractor must provide a twenty-four (24) hour, seven (7) day a week Toll-Free Help Desk to enable MDOC Electronic Monitoring Center personnel to contact support personnel for assistance with troubleshooting any system problems. Immediate communication between the Help Desk, the EMC Manager, Systems Administrator, Office Supervisor and the Monitoring Center is crucial for the continuous operation of the system. The system monitors offenders who have strict guidelines regarding their movement ~~concerning the entry of warrants~~. Therefore any downtime must be kept to a minimum and instant communications are necessary between monitoring center staff and the vendor's technical staff.

3.6 The Contractor must provide all training manuals and technical manuals with the system. Full duplication rights must be granted to the MDOC that will allow unlimited copying of all materials for internal use only. Manual updates must be provided electronically and must either be E-Mailed to the monitoring center, or must be accessible to MDOC staff on the vendor's web site.

3.7 All equipment and supplies provided by the Contractor must be new. The MDOC will not accept any used or refurbished equipment or supplies.

SYSTEM REQUIREMENTS

The system must provide the MDOC Electronic Monitoring Center with the capability to determine whether or not an offender remains within a preset distance from a signaling device located in the offender's area. The system must have sufficient capacity to monitor a minimum of four thousand (4,000) offenders at one time, with the capability to expand. Eighteen (18) phone lines are currently being furnished by the MDOC and will be provided to serve the current system with additional phone lines to be made available as required. The server must have a diagnostic telephone line so that Contractor and designated MDOC staff can do troubleshooting and maintenance remotely.

4.1 Server

4.1.1 The server shall be configured to handle a minimum of four thousand (4,000) offenders. The system will have at least the equivalent configuration of: Dual Pentium processors 450-megahertz, 128 RAM Meg memory, 4meg video memory, two (2) 18 gig high speed mirrored hard drive with a write able CD drive.

4.1.2 The server must be capable of monitoring offenders on a statewide basis. Equipment shall initiate the sending and receiving of signals through standard telephone lines at no cost to the offender. The MDOC standard is Cat 5 UTP cable, Ethernet 10/100 NIC.



- 4.1.3 The Contractor must furnish configuration layout with all necessary equipment for network system. Training for site personnel for proposed configured system must be furnished as a requirement of system support.
- 4.1.4 The server shall be capable of linking a network of twelve (12) separate workstations. These workstations will allow the system operators to perform routine monitoring tasks such as new client enrollment, alert processing, equipment inventory and scheduling changes. The system will include 2 networked workstations and the MDOC will provide the other ten.
- 4.1.5 Server will include any and all peripheral devices, with the exception of printers, necessary to make the system functional and capable of meeting all of the above specifications. The MDOC will provide printers for the monitoring system.
- 4.1.6 The server must have a mirrored drive that can assume monitoring functions in the event that the main drive fails.
- 4.1.7 The server CDRW must be able to be operated simultaneously with the monitoring function of the host system.
- 4.1.8 The server shall be able to program the callback time for the receiver. The default callback time shall be no more than 4 hours.
- 4.1.9 The server shall have an independent surge protection capable of interfacing with the current backup generator with no loss of system integrity.
- 4.1.10 The server must have backup capability that provides operation for a minimum of three minutes in the event of AC power loss at the monitoring site.
- 4.1.11 The server must have backup capabilities to the RAID 5 level.
- 4.1.12 All server hardware must have capability of on-site, 24-hour per day/seven-day per week manufacturer's support. System downtime must be minimized; ~~vendors should explain in detail how hardware problems would be resolved, both during their normal business hours, and after hours.~~
- 4.1.13 See Technical Proposal.
- 4.1.14 See Technical Proposal.
- 4.1.15 See Technical Proposal.

4.2 Server Software

- 4.2.1 The software must be specifically designed to collect, process, store, maintain, archive and manage current and previous electronic monitoring information. It must also allow for the entry, viewing and updating of agency procedures at the agency, officer and offender level for response to events and alerts.
 - Agency information must include:
 - Agency name
 - Agency code
 - Address
 - Contact name
 - Telephone, pager and fax numbers
 - Group agency name and address



- Default monitoring configuration parameters
- Default field equipment parameters
- Alert Processing Procedures
- Officer information must include:
 - Officer name
 - Officer caseload number
 - Address
 - Telephone, fax and pager numbers
 - Agency name and address
 - After hours phone number and contact instructions
- Offender information must include:
 - Offender Name
 - Social Security number
 - MDOC number
 - Address
 - Phone number
 - Officer
 - Agency
 - Monitoring Equipment Identification numbers
 - Monitoring Equipment configuration
 - Minimum of six curfew periods per day per offender.
 - High profile offender designation
 - Monitoring start date
 - Monitoring end date
 - Reason for removal

4.2.2 The software must, within three minutes of receiving necessary data, report each of the following violation types:

- Curfew violation
- Tamper transmitter
- Receiver Tamper
- Phone or power loss/recovery

If phone and power recovery occur together the server must verify the location of the receiver

- Low transmitter/home unit battery
- Home unit operational failure
- Transmitter in range of receiver
- Transmitter out of range of receiver

4.2.3 The software must have a backup/archive feature that will not impair the system operation. Software must have a minimum of six months historical capability.

4.2.4 The offender's scheduling parameters shall be programmable at the server location and will include unlimited schedule change capabilities.

4.2.5 The software must be capable of determining that a home unit is still installed at its original location.



- 4.2.6** The software must verify the operational condition of each home unit at intervals from 0 to 300 minutes, which would be set by a system operator. If verification is not completed it must report it to an Operator as an alert in a timely manner.
- 4.2.7** Contractor shall identify and supply all software licenses that will be incorporated into the total system. The contractor shall provide a copy of all such proposed software license agreements that will fully reflect all terms and conditions relative to the use of such software. It is mandatory that the software is in the Windows NT environment.
- 4.2.8** Software must provide password protection at both the local and remote terminals.
- 4.2.9** It is mandatory that the system only allow communication with authorized receiver devices.
- 4.2.10** Server software must be capable of working with any make of electronic telephone system. The MDOC currently uses analog lines with standard 105V 20HZ ringing.
- 4.2.11** The server software must include an auto fax feature that shall fax violation information to the supervising agent. Extra weight will be given to systems, which can send alerts via E-Mail. The server software must be compatible with all versions of Novell Netware and the latest version of Group Wise E-mail.
- 4.2.12** The system shall have a diagnostic feature to verify whether field/receiver units are fully functional and operating according to design. This diagnostic feature shall not impair the system operation.
- 4.2.13** The server must be able to E-Mail a daily summary of messages to field offices through the State's system that currently uses GroupWise 5.2.4.
- 4.2.14** The system shall have a diagnostic feature that shall report to the contractor-provided "mirrored" server problems that may occur in the server software. This diagnostic feature shall generate an alert when the host computer is going down. The diagnostic feature shall not impair the system operation.
- 4.2.15** The system must provide for an interface with field workstations, providing field staff with two-way messaging capability and with the ability to enter schedules, enrollments, deletions, and review offender activity from their workstations. The interface must meet or exceed the performance and functionality of the present system. The contractor must describe how this specification will be met and list any additional hardware required.
- 4.2.16** Capability of sending reports via E-Mail and violations via fax. Extra weight will be given for delivering violations by fax and E-Mail.
- 4.2.17** Remote access capabilities and interface through MDOC's WAN.
- 4.2.18** Personal information on each offender must include: Name, address, two phone numbers, agent, agency, MDOC ID, and any other data required to print violations.
- 4.2.19** The Contractor shall transfer all of the offender, agent, and office data necessary to operate the proposed system, from the current monitoring software into the proposed system.

4.3 Workstations RESERVED

4.4 Field Monitoring Receivers



- 4.4.1** The receiver for the devices posted at field locations shall be capable of receiving random communication with the host server dialing at a minimum of six (6) times per day. The receiver shall be able to store events if the telephone becomes disconnected. Messages shall be downloaded when the reconnection occurs, or there is a loss of power to the host server or for any other reason. The receiver shall store a date and time stamp for any loss of power, phone disconnection, tamper violation or for any other anomaly. The system shall record the date and time all messages are received at the central monitoring computer.
- 4.4.2** In conjunction with host software the receiver must verify complete functionality of the system every 0 to 300 minutes, with the interval set by the operator on a unit-by-unit basis.
- 4.4.3** The receiver shall be coded to a single, specific transmitter when operational to facilitate installation.
- 4.4.4** The receiver shall detect and immediately report to the central host computer with time stamp the following events as a minimum:
 - (a) Arrival of the transmitter within the range of the receiver/monitor
 - (b) Departure of the transmitter out of range of the receiver/monitor after a preset time interval not to exceed 6 minutes.
 - (c) Tampering by cutting or by severing the transmitter strap (while in range of the receiver) and removal of the transmitter without severing the strap. If a tamper occurs while out of range of the receiver/monitor, then the tamper alert signal shall be reported when the client enters the range of the receiver/monitor.
 - (d) Loss and/or restoration of the home's AC power.
 - (e) Loss and/or restoration of the home's telephone service, (the disconnection of the telephone line shall be reported as soon as the telephone line is restored with the actual time of the disconnect).
 - (f) Low battery condition of the transmitter.
 - (g) Tampering with the receiver/monitor by attempts to open the casing.
 - (h) Verification of the location of the receiver.
 - (i) Low receiver battery.
- 4.4.5** The receiver must be sealed to prevent insect infestation and damage and shall be of a design that is shock resistant, water-resistant and with a demonstrated capability to withstand a three-foot drop onto a hard surface.
- 4.4.6** The receiver shall be easily installed in a central location in the individual's home near the telephone and provide feedback in the home at the time of installation to demonstrate that it has successfully called the host computer, and that the transmitter is activated and is not tampered.
- 4.4.7** The receiver shall have the ability to be attached to a rotary, standard pulse or touch-tone telephone. It shall visually indicate to the offender that the system is using the offender's phone line. The ability to record activity until phones are installed will be weighted extra.
- 4.4.8** The receiver connect to existing standard home telephone equipment with an RJ 11 phone jack and be capable of being used with any brand or make of telephone and electronic telephone system.
- 4.4.9** The receiver must communicate with the server via standard telephone lines.
- 4.4.10** If the initial attempt should fail, the receiver must continue to redial the server until contact is made.



- 4.4.11 The receiver shall continue to operate effectively in the presence of common telephone line noise and/or static.
- 4.4.12 The telephone number used by the receiver to call the server must be externally reprogrammed into the unit by MDOC staff without factory assistance or intervention. Any specialized equipment or software required should be included in the pricing.
- 4.4.13 The receiver must have lightening protection on both the phone line and AC power lines.
- 4.4.14 The receiver shall use 110-volt AC power and easily connect with a two-prong AC power cord into a standard electrical outlet. The AC Power cord must be a minimum of 10 feet in length. It should be designed so that the cord cannot be easily disconnected thereby breaking the electrical connection.
- 4.4.15 The receiver must produce a disconnect notification if it is disconnected from AC power or disconnected from the phone line, and report the date and time of the disconnection and the re-connection of AC power or phone line and the time the center was notified.
- 4.4.16 The receiver shall have a minimum twelve (12) hour battery backup power supply and shall be rechargeable.
- 4.4.17 The receiver shall be capable of holding a minimum of sixty-four (64) events in its memory. Receivers capable of holding more events in memory will be weighted extra.
- 4.4.18 The receiver shall contain an internal 24-hour clock and memory sufficient to store offender's compliance data in the event of AC power loss. Message storage capacity of holding data longer in memory will be weighted extra.
- 4.4.19 The receiver must comply with all applicable FCC regulations and shall be registered with the FCC. The awarded vendor must supply the FCC registration number to the MDOC.
- 4.4.20 See Technical Proposal.

4.5 Field Monitoring Transmitters

- 4.5.1 The transmitter must be worn on the offender's ankle and shall weigh no more than 4 ounces.
- 4.5.2 Transmitter must be shock resistant, water and moisture proof and function reliably under normal atmospheric and environmental conditions found in the State of Michigan.
- 4.5.3 Transmitter must not pose a safety hazard or unduly restrict the activities of the offender.
- 4.5.4 Transmitter and band must be hypoallergenic and shall be field replaceable.
- 4.5.5 The transmitter shall be easily installed on the client with minimal training and experience of the installer.
- 4.5.6 The transmitter must emit a signal at a minimum of once every 30 seconds on a continuous basis.
- 4.5.7 Transmitter must have the ability to be matched to any field monitor receiver unit being proposed by the contractor.



- 4.5.8 Matching of the transmitter to the field-monitoring receiver should occur at the server to facilitate the installation process.
- 4.5.9 The transmitter must transmit a tamper notification if there is any attempt to compromise the unit's operations. This includes the cutting of the strap or the removal of the transmitter from the ankle without cutting the strap. It must show the date and time of the tampering and immediately provide notification when it is within the range of the receiver.
- 4.5.10 The transmitter must have a maximum transmitting range of 150 feet and must be able to be reduced by the MDOC Electronic Monitoring Center personnel with variable programming via software for the field-monitoring receiver.
- 4.5.11 The transmitter must comply with all applicable FCC regulations and shall be registered with the FCC. The awarded vendor must supply the FCC registration numbers to the MDOC.
- 4.5.12 Both the transmitter and the strap, which attaches the transmitter to the client, must be hypoallergenic and shall be easily replaced in the field by agency personnel. The strap shall not be made of any material that may cause injury to either the field officer or client.
- 4.5.13 The strap must affix to the transmitter with tamper proof devices that cannot be removed easily by offenders. The transmitter must have physical packaging that indicates deliberate attempts to remove the transmitter.
- 4.5.14 The transmitter and strap must have dual tamper resistant features that will enable the transmitter to immediately notify the monitoring center (when in range) of any tamper attempt or removal from the offender's ankle. This would include severing the strap or removal of the transmitter without severing the strap.
- 4.5.15 The batteries powering the transmitter shall have an operational life of one year, be easily replaced in the field by agency personnel and shall not require replacement of the strap when field staffs replace the battery.
- 4.5.16 The Transmitter battery shall have a minimum of a five (5) year shelf life.
- 4.5.17 Transmitters must have a low battery warning system with time and date stamp.

4.6 Portable Field Tracking Devices RESERVED

4.6 Remote Alcohol Testing Device

- 4.7.1 The system must have a device with the ability to conduct remote alcohol (RA) tests on offenders and immediately report information on these tests to the central monitoring station. The RA device must have a verification process to insure that the correct person is taking the test, and must be accurate and easy to use by both field staff and monitoring center operators. The time necessary for processing alcohol tests and alerts will be noted and will be considered in the evaluation of this equipment.
- 4.7.2 The RA device must comply with all applicable FCC regulations and shall be registered with the FCC. The contractor must supply the FCC registration number to the MDOC.
- 4.7.3 The RA device must communicate with the server via standard telephone lines and connect to existing standard home telephone equipment with an RJ 11 phone jack. It must be capable of being used with any brand or make of telephone and electronic telephone system.



- 4.7.4 The device shall use 110-volt AC power and easily connect with a two-prong AC power cord into a standard electrical outlet. It should be designed so that the cord cannot be easily disconnected thereby breaking the electrical connection.
- 4.7.5 The system shall record the date and time all messages are received at the central monitoring computer and shall report the Breath Alcohol Content (BrAC) to three decimal places. It shall report when an offender fails to participate in a scheduled test and also if the verification process fails. There must be a system in place to report alcohol test results and verification failures to the supervising field agent quickly and efficiently.
- 4.7.6 If the RA device requires regular calibration, the vendor must describe how this is accomplished, keep a record of the last calibration date and/or when the next calibration is required, and detail any costs to the MDOC.
- 4.7.7 The RA device must be able to test the client even in the event of an A/C power outage and telephone line outage. The unit must test and store these results, and once the telephone line is restored, the system will report the BrAC level of the stored tests.
- 4.7.8 The RA device must have the ability to set testing at fixed times during the day, on a random basis, and also on demand by MDOC staff. When used in conjunction with Radio Frequency units, the system must automatically conduct a test when the offender returns home if the absence exceeds a programmable number of minutes.

II-E PROJECT CONTROL AND REPORTS

RESERVED

2. Reports

REPORTING REQUIREMENTS

- 5.1 The server shall have the ability to collect, store and produce on demand the shift, daily, weekly, quarterly, semi-annual and annual statistical reports at the MDOC Electronic Monitoring Center. The MDOC shall have access to all data generated by the MDOC system and MDOC offenders. The system shall include an ad hoc report writer to be used for creating one-time requests unforeseen in the report list. The vendor shall provide training to MDOC staff in the operation of the report writer program that is provided with the system
- 5.2 Reports shall list in a menu format that can be expanded from the top down approach.
- 5.3 The contractor shall work with the manager of the Electronic Monitoring Center, MDOC to format and produce any report(s) that he/she may deem necessary for the operation of the Electronic Monitoring Center.
- 5.4 See Technical Proposal.



Acquisition of Field Monitoring Equipment Reporting Requirements

The following is a list of the reports, capabilities and information that shall be made available by the contractor to the Michigan Department of Corrections (MDOC), Electronic Monitoring Center, on a daily, weekly, monthly, quarterly, semi-annual and annual basis. The Field Operations Administration of the MDOC is divided into two Regions, and these are subdivided into six Areas that include several offices and counties. Reports will need to be divided by Region, Area, Office and County.

This list of reports is not an exhaustive list, but is used to exact summaries, movement of offenders and equipment inventories under the program.

Other reports may be added as determined by the MDOC, Electronic Monitoring Center.

A. Reports

1. Weekly statistical reports identified by Region, Area, Office and County which gives the number of offenders added to the system and the number of offenders removed from the system within a specific time period with the date and time and total of each.
2. Report of offenders by name denoting the number of days on electronic monitoring, based on the beginning date and the ending date.
3. Report to determine the number of cases deleted and terminated early and the reason for deletion. Deletion categories will be developed by the MDOC.
4. End of day report to provide a listing of cases added to the system based on the beginning date, with the identification of the person who entered the data.
5. End of day report to provide a listing of cases deleted from the system based on the end date.
6. Report a daily summary of an offender's activity which would include date, time, case number, offender's name and address, current schedule (day specific) and record of activity for any previous period of time requested by monitoring personnel.

B. Capabilities

- A. A report showing the system messages by count noting the types and the number of alerts in a given period of time.
- B. Report to identify daily alerts by code and description.
3. Report to identify inventory assigned to a specific location.
4. Report to identify history of units in use noting the office and offender.
5. Report summary of total receivers that have not contacted or communicated with the server.
6. Report to identify cases by county, unit number, offender name, area and region.
7. Report to identify the daily data entry of employees by shift
8. Report of offenders by agency.
9. Report to show work turned over from one shift to another shift.
10. Report to identify monitoring down time to include the time the system went down and the time the system came back on line.
11. Report to identify the history of the Field Monitoring Devices in use, noting the agency and the offender.
12. Report of operator response time noting the elapsed time from when the alert is first received until an action is taken. This should be able to be done for any block of time, ie. one hour, eight hours, twenty four hours, thirty days.
13. Report showing which files were backed up and which files were skipped.
14. Report showing available hard drive space being used daily and performance of server on an hourly basis to show peak utilization times.
15. Report to calculate the number of days offenders are on the system for any given agency. This will be used for billing purposes for the agencies that the MDOC provides monitoring services for and is done on a monthly basis.

**C. Information**

1. Agency field Information shall include:
 - Agency codes
 - Agency name
 - County Code
 - Contact name
 - Address
 - Telephone, fax and pager numbers
 - Area name and address
 - Default monitoring configuration parameters
 - Default field equipment parameters
 - Alert processing procedures
2. Officer Field Information shall include:
 - Officer name
 - Officer caseload number
 - Address
 - County code
 - Telephone, fax and pager numbers
 - Agency name and address
3. Offender Field Information shall include:
 - Offender name
 - MDOC number
 - Social Security number
 - Address
 - Phone number
 - Officer
 - Agency
 - County code
 - Monitoring equipment ID's and configuration
 - Begin date
 - End date
 - Reason for removal (Categories to be provided by MDOC)
4. Event and Alert Field Information must include:
 - Power failures
 - Telephone failures
 - Transmitter in range of the field monitoring device
 - Transmitter out of range of the field monitoring device
 - Violations of curfew schedules (with or without Agency defined grace periods)
 - Attempt to tamper with field equipment
 - Low battery on transmitter and/or receiver
 - Verification of equipment operation and location

II-F PRICE PROPOSAL

All prices/rates will be firm for the duration of the Contract. No price changes will be permitted.

II-G CONTRACT PAYMENT

The specific payment schedule for this Contract will be mutually agreed upon by the State and the Contractor. The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.



APPENDIX A "PRICING PROPOSAL"

Maintenance Pricing

HG200 \$74.26 price per year per unit.

Sobrietor \$144.45 price per year per unit.

Server \$45,347.46 price per year.

Maintenance-If MI DOC sends BI an updated list of equipment needing to be covered under maintenance, BI agrees to adjust the maintenance costs accordingly every quarter.

Purchase Prices		
<i>Product</i>	<i>Current Purchase Price Per Unit</i>	<i>New Purchase Price Per Unit</i>
HG200	\$1,019.00	\$1,019.00
HG205	\$1,019.00	\$1,019.00
Sobrietor	\$1,250.00	\$1,250.00
Leasing Prices		
<i>Product</i>	<i>**Rental Price Per Unit Per Day</i>	<i>***Rental Price Per Unit Per Day</i>
HG200	\$1.35	\$1.75
HG205	\$1.35	\$1.75
HG206	\$5.65	\$6.05
Sobrietor	\$1.70	\$2.30
BI Cellular	\$3.50	\$3.90

****The rental price does not include any coverage for lost, stolen or damaged equipment.**

*****The higher rental prices listed above covers all lost, stolen and damaged equipment.**

In the event equipment is lost, stolen or damaged, the replacement costs are as follows:

HG200 transmitter = \$408.00

HG200 FMD = \$611.00

Sobrietor = \$1,289.00

BI Home Cell=\$1,200.00

BI HG206 FMD=\$1,050.00



Supply prices are as follows:

HG200 Strap = \$6.75

HG200 Strap Clamp = \$4.25

HG200 Case Rail = \$4.25

HG200 Battery = \$13.50

HG200 Latch Set = \$1.00

HG200 Transformer = \$15.00

Sobrietor OCU = \$395.00

Sobrietor Mouthpiece = \$.75

HG200 Transmitter = \$375.00